Project Initiating and Definition
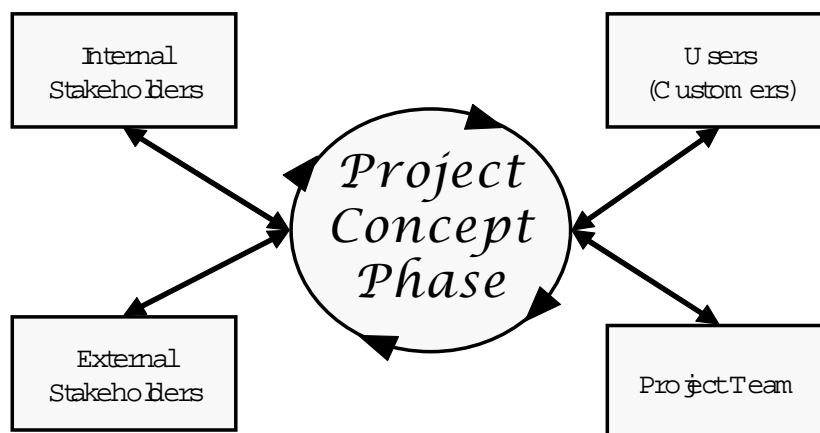
The Initiating Phase

This phase of the Project Management Methodology establishes the conceptual view and general definition of a project or a group of projects, often referred to as a program.

This starting point is critical because it is essential for those who will produce the project deliverables, those who will use those deliverables, and those who have a stake in the project to reach agreement on its concept and definition. The process is represented in the figure below.

Contributors

Elements of the Initiating Phase

Defined in this section are general guidelines to assist in defining the overall parameters of the project. The sections have been organized to be consistent with how a project might progress through the initiating phase.

It must be stressed that the recommended methods in this section are standard steps for IT development efforts, since it is here that agreement is reached on what the project's end product(s) will be.

Project Initiating and Definition

Project Management Phases

Shown below is the relationship between the various project phases. The initiating phase is the first phase and overlaps with the project planning. Activities conducted during the initiating phase will eventually be integrated into the various planning documents and/or will drive the planning elements such as schedule and budget.

Project Management Phases
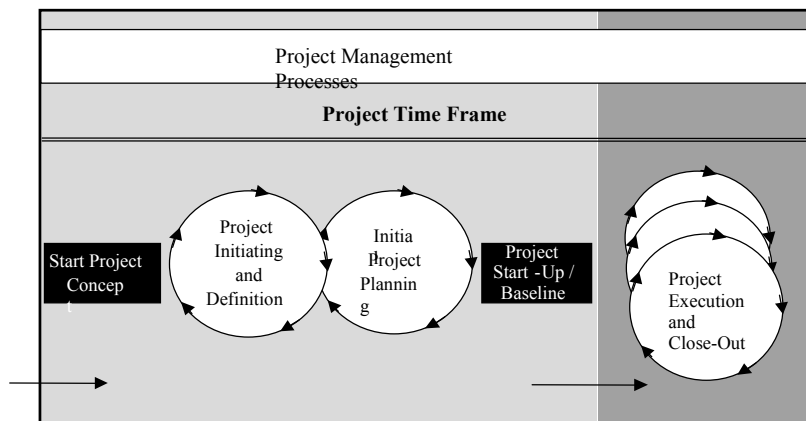
Business Case / Project Statement

The Business Case/Project Statement defines the program's charter and helps ensure that the program is consistent with the organization's business plan and IT strategic plan. It defines a high-level approach, program charter, and other top-level planning information. Ideally, the information contained in the Business Case/Project Statement provides management with the information necessary to decide if the program should be supported and funded.

The Business Case/Project Statement should not be a collection of technical information, but should state what is to be done, why it is to be done, and how it will be done.

The business case/project statement and related business analysis are preliminary to developing a detailed project plan.

Projects will vary in terms of complexity, but all should have some level of initial concept definition. For some projects, it may take only a few days to complete this phase, for others, it could take months or years. In this case, the solution should be divided up into smaller projects or groups of related projects which collectively solve a common business problem. This phase is critical to guaranteeing buy-in for a project.
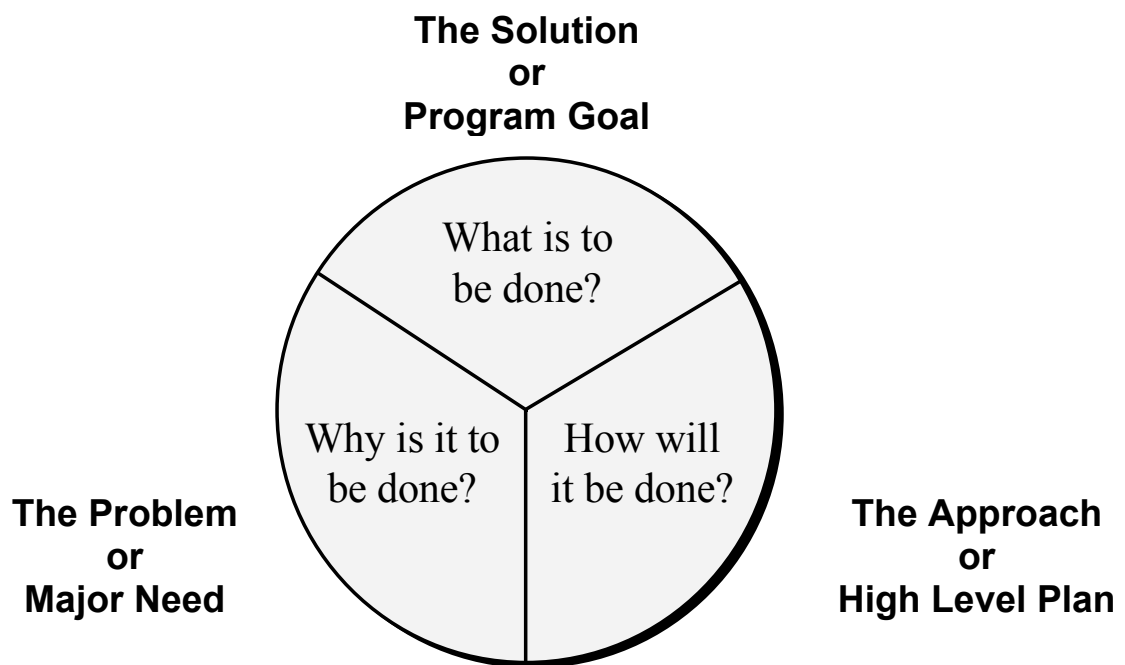
Project Initiating and Definition

Business Case

Enterprise Projects or Programs

Quite often several separate projects are required to accomplish significant business goals and objectives. This collection of related projects can be referred to as an Enterprise Project or a Program. The Program might include a Requirements Definition Project, a Design Project, a Development Project, an Implementation Project, and a Roll-out and Training Project. If all of these projects sometimes referred to, as phases are required, they should be documented in the Business Case/Project Statement under "Overall Phases and Expected Timeframes".

Major Questions to be Answered During the Initiating Phase

**The Solution
or
Program Goal**

What is to
be done?

**The Problem
or
Major Need**

Why is it to
be done?

How will
it be done?

**The Approach
or
High Level Plan**

Business Analysis

Analyzing project constraints, alternatives, and related assumptions may also be part of the initiating phase. This material should build upon the material already documented in the business case/project statement. Remember to keep these activities at a high level so that they do not result in a project design document.

Project Initiating and Definition

Concept Review

There may be times when actual reviews need to be scheduled with the steering committee, project team and external groups. These reviews would provide a forum for information exchange and would be more timely than written question and answer sessions.

No separate document exists to refine the review process. The materials generated during the initiating process should define the agenda for the associated review meetings.

The Concept Atmosphere

The atmosphere during the initiating phase is marked by indecision and hesitation and characterized by things like:

- **Project Team Frustration**

  The desire of the related project staff to get the project moving and to start designing the solution.

- **Management Non-Commitment or Confusion**

  There is a lack of full commitment on the part of management; usually, there is too little known, and the project team cannot provide more than rough estimates for "how much and how long."

- **Customer Indecision**

  The customer seems unable to provide a consistent description of what the required system is to provide.

Problems during the Initiating Phase

Many problems during the initiating phase are due to the difficulty in getting a project or program to move forward. This is a direct result of the atmosphere defined above. The most difficult commitment to obtain is from top management and users. A summary of typical problems is highlighted below:

- **Scarcity of Resources**

  Many of the problems are related to assembling the initial project concept team. Locating the "right" people is rarely easy.

- **Lack of Coordinated Leadership**

  While qualified team members may be in short supply, individuals serving as leaders may be numerous. In many cases, the initiating phase is led by too many people. Such environments create an atmosphere of bad or disjointed decision-making.

- **Lack of Consensus on the Project or Program Objectives**

  It is not uncommon to find that there are many different ideas as to what the problem really is and how to solve it. Rapid prototyping can be useful when general agreement on the concept is difficult to reach. Concepts are often easier to integrate when the team is considering something concrete.

Project Initiating and Definition

Business Case

Elements of the Business Case / Project Statement

The first task in the project initiating and definition phase is the development of the business case / project statement. The following roles are defined:

- *Project Manager*. To own the project during the initiating and planning stages.

- *Project Team.* To perform the initial conceptualization work.

- *Stakeholders and Customers*. To provide input to the business case/project statement.

During this part of the initiating phase, the project team defines the:

- Program charter which includes:
    - The Business Problem
    - The Program Goals
    - The Program Objectives
    - The Program Success Factors
    - The Related Strategic IT Objectives
- High-level approach and strategy

The project team may also review information and conduct meetings and JAD (Joint Application Development) sessions. At this point, items to be considered would be things like:

- Preliminary "build versus buy" solution

- Appropriate methods for application and deployment of technology

- General resource requirements and constraints such as skills, architecture, facilities, time or money. Assumptions regarding these issues must be documented in the Business Case.

The materials generated within this phase will be used to evaluate the appropriateness of a specific project or program.

Do *not* generate a 200-page document, but rather provide a concise summary of information to determine if the project should be supported.

Project Initiating and Definition

Who Does What?

The levels of responsibility are:

- The **Project Manager,** for developing the business case/project statement and orchestrating the initiating processes.

- The **Project Team,** for providing analysis, research and support.

- The **State Organization,** represented by a Steering Committee, for reviewing the information and participating in the review sessions.

- **Stakeholders and Users,** for providing input via JAD sessions and other interactive processes to define what the scope of the project or program should entail.

- **The CIO,** if requested, for reviewing the final collection of materials related to the initiating phase when the Steering Committee determines that the project should be considered for initiation, approval, and oversight determination.

How Should the Business Case/Project Statement be Developed?

There are various methods for developing the needed information that the project team may wish to use. These methods include things like:

- Brainstorming sessions
- Executive interviews
- Stakeholder meetings
- Technology research
- Interviews with technology experts
- Vendor demonstrations
- Visits to peer or related organizations.

These methods should be aimed at defining the business case at the highest conceptual level that provides the necessary project charter and implementation strategy. The project teams should avoid designing the system or developing detailed project plans at this point.

A Plan for Planning

During this phase, organizations may determine that a top-level plan should be provided to detail the effort to complete the remaining planning process tasks. This plan would not necessarily be detailed or baselined, but would be used to understand, review and approve the cost and time necessary to complete these activities.

Project Initiating and Definition

This information will be especially important if additional funding is needed for these phases. Again, this is a plan for doing the planning and not the project. It should consist of:

- Tasks to complete the specific project planning activities. (This should include some estimation on procurement activities if the planning effort will include a contractor.) The estimated number of tasks should be 2 to 10.

- Estimated time and cost for these tasks.

Timeframe for Completion

The general timeframe for most project teams to complete a Program Business Case/Project Statement varies widely and is driven by an unlimited number of factors.   Each situation is unique and will require different levels of detail, research, and development.

Business Case Form

The form designed to document the Business Case is PM-01. A partially completed sample follows this section.

Project Initiating and Definition

PROGRAM CHARTER

Problem Statement

The lack of a statewide automated planning system for scheduling road repair maintenance resources has resulted in road closures, duplicated capital expenditures, increased staff overtime costs, and increased traffic disruption.

Goals (High-Level Scope Statement)

Design and implement an automated, state-wide highway maintenance planning system by Q4, 20XX. Install, pilot and complete the implementation by Q4, 20XX.

Objectives

Provide a brief list of what the program is to accomplish and/or provide further breakdown of the goals Break out the short-term objectives from the long-term objectives These objectives must logically tie to the benefits/success factors of the program.

Short-Term Objectives:
1. Develop the prototype and test
2. Conduct the pilot of system with completion
3. Complete system installation, testing and all planned training at all locations by Q4, 20XX.

Long-Term Objectives:
4. Minimize staff overtime through more efficient scheduling.
5. Minimize cost overruns on highway repair and construction projects.
6. Cut down the amount of traffic disruption by completing projects more quickly.

Benefits/Success Factors

Provide the benefits/success factors and ensure that they tie back to the objectives.

Short-Term Success Factors:
1. The automated planning and tracking system is fully implemented by Dec. 31, 20XX, and over 80% of the regional offices are using the tool to perform daily tasks, as verified by follow up calls.

Long-Term Success Factors:
2. Cut highway maintenance staff overtime cost by 5% within calendar year 20XX.
3. 95% of all projects must be within 5% of original budget in calendar year 20XX.
4. Projects should average 2% less calendar days in 20XX than was experienced in 20XX.

Project Initiating and Definition

High-Level Implementation Plan

Provide information about the planned projects to accomplish the goals, objectives and benefits/success factors of this program charter.

Project Number	Project Description	Expected Timeframe
1.	Design, Develop, Install and Rollout Road Repair and Highway Maintenance Tracking System	10 months
2.		
3.		
4.		

Costs

- *Documents best available Total Program by preparing an estimate of each planning and execution process for each project within the program. If on-going maintenance costs needs to be considered, they should be treated as a separate project and calculated separately. They could then be included in the overall program costs.*

Planning and Execution Budget for Project: Design and Implement Highway Maintenance System

Planning Budget

Provide a list of activities and effort required to complete the planning process:

Activity #	Description	Elapsed Days	Work Hours	Estimated Cost	Milestone
1.	Conduct Interviews	24	160	8,000	
2.	Conduct JAD Sessions	10	320	16,000	
3.	Document Project Plan	10	320	16,000	
4.	Finalize Documents and Gain Sign-off	10	80	4,000	Project Plan
	TOTAL		880	44,000	

Execution Budget

Complete the following table to provide an estimate of the effort and costs for completing the execution process for this project.

Project Initiating and Definition

Business Case

Activity #	Description	Elapsed Days	Work Hours	Estimated Cost	Milestone
1.	Manage Project	300	4,000	200,000	
2.	Define Requirements	20	4,800	240,000	Requirements Document
3.	Develop Prototype	20	4,800	240,000	Prototype Sign-off
4.	Develop Application	200	9,600	480,000	
5.	Test Application	80	2,400	120,000	Certified Application
6.	Pilot Application	10	2,400	120,000	
7.	Roll out Application	20	3,600	162,000	Project Completion
	TOTAL		31,600	1,562,000	

Total Budget by Fiscal Year (if known)

Provide a summary of the Planning Budget and the Execution budget.

Estimated Total Budget	$1,606,000	
Estimated Duration (Months)	12	
Fiscal Year(s)	20XX	20XX
Budget by Fiscal Year	$1,000,000	$606,000

Assumptions

Provide information about assumptions about the overall budget for this project.

General Assumptions:
• Project will be completed by internal staff.
• Staff cost will be $50/hour.
Planning Budget Assumptions
1. We plan on 20 interviews, 8 person hours per interview to schedule, conduct and document.
2. JAD session will be 16 hours long with twenty participants.
3. Four people will document Plan over a two week period.
4. Finalize Plan assumes involvement of eight people spending 10 hours each.
Execution Budget Assumptions
1. Manage Project task includes all Steering Committee, QA, Configuration Management, Start-Up and Close-Out Activities.
a. PM (10 mths * 160 hours/mth = 1600)
b. QA (32 hrs/visit * 4 visits = 128)
c. CM (4 hrs / week * 42 weeks = 168)
d. SC Meetings (11 meetings * 2 hours/meeting * 6 people/meeting = 132)
e. Team Meetings (4 meetings * 12 * 2 hrs/meeting = 96)
f. Startup = 700
g. Closeout = 376
h. Administrative Support (80 hrs/mth * 10 mths = 800

Business Case

---

i.   Summary: 1600 + 128 + 168 + 132 + 96 + 700 + 376 + 800 = 4000
2.   We assume thirty people will be involved for 20 days to define, document, review and approve requirements.
3.   We assume the same thirty people will be involved for another 20 days to develop prototype.
4.   We assume 200 programs which will average 48 hours each to code and unit test.
5.   We assume 12 hours for each of the 200 programs to test. This includes programmer and user time and it accounts for all remaining testing activities.
6.   We assume that 20 people will be involved for 120 hours (3 weeks) to pilot the application.
7.   We assume 27 people will be involved for 15 days each to fully roll-out the application. This is based on 9 locations, 3 (1 trainer/2 trainees) people per location and 15 days to train and initially support.

Project Initiating and Definition

Alternate Approaches to the Preparation of a Business Case

Preparing the Business Case with your customer allows you to ask very focused questions. This is a time of learning, building trust and opening communication channels. You are partners at this point and your success depends on the trust you build at this stage.

The process of developing the Business Case is as important as the final product.

The scope description is probably the most important and the most difficult part to develop. Documenting what is out of scope is as important as what is in scope.

Level of Detail

Large projects justify a significant effort in developing comprehensive Business Cases. Multi-day off-site meetings with customer process owners may be appropriate for developing these documents. Mini-projects (less than one staff month) deserve a phone call to the customer to confirm requirements, priority, convey expected start and completion dates.

Recommended Formats for Three Levels of Business Cases

A. Business Case for a Mini Project

Confirm the customer's requirements as stated in their request and the priority of the request. Inform them of the expected start and completion dates and any tasks, which they must perform. Discuss contingencies which could affect the plan. Summarize your discussions in a note so that you and the customer have something in writing.

Sample Follow-up Note
To: Customer
From: Project Manager
Subject: DPSR 012345

Based on our conversation this afternoon, we will assign staff to work on this DPSR starting Monday. The requirements stated on the DPSR have not changed except the related system changes described will not occur at this time. Therefore, this project will add the operator's initials to the note that is generated when an address is changed. We expect to complete unit and system test by May 15. Your staff will need to complete acceptance testing the 16th if we are to release this in time for the next production run on Friday the 17th.

If this enhancement is not accepted on this schedule, we will run the manual process we have been using for the past three months again on the 17th and correct our problems to get this into production the following week.

Project Initiating and Definition

B. Business Case for a Medium Sized Project

The Statement for a medium sized project is more formal that the mini Statement but not as detailed as the large Project Statement. You may use the structure of the large Statement and simply provide less detail or you may use a Project Statement form.

C. Business Case for a Very Large Project

The Project Statement typically consists of a cover page and four primary sections. The cover page identifies the project name, Executive Sponsor(s), and dates of Project Statement approval. The primary sections are the

- **Project Identification and Scope**

   This section is used primarily to define the scope of the project being undertaken, why it is being undertaken, and for whom the project is being developed. Information that should be contained in this section includes:

   - Project name/title

   - Who is the customer

   - Background/Introduction/Purpose

      ⇨ Policy considerations

      ⇨ Problem(s) being addressed

      ⇨ Opportunities being explored

      ⇨ Mandates to be complied with

   - The business systems/functions being addressed

   - The automated systems being affected

   - Scope Statement (potentially defined in terms of what the project is and what it is not)

   - Objectives (i.e., products, benefits, etc. - defines when the project is complete)

   - Success factors

   - Constraints

   - Identification and discussion of major risks associated with the project

- **Authority and Resource Need Definition**

   This section defines the resources needed for the project to be successful and how these resources will be managed.

   - Resource Needs

      ⇨ Personnel Services

      ⇨ Vendor needs

      ⇨ Space and work area

      ⇨ Equipment (hardware and software)

Project Initiating and Definition

- ⇨ Training requirements for team and non-team members
- ⇨ Funding
- ▪ Authority
  - ⇨ Description of reporting relationships of team members
  - ⇨ Spending allocation/approval authority
  - ⇨ Any special reporting requirements
  - ⇨ Product approval signoff authority

- **Project Methodology, Roles, Responsibilities and Structure**

  This section is used to describe the process by which the project will be conducted and how all the project participants fit into that process.
  - ▪ Describes methods to be used
  - ▪ Defines project team roles related to the methods
  - ▪ Defines how the results of projects will be measured to determine if the project met its objectives

- **General Schedule**

  This section covers the factors not covered in the other three sections including:
  - ▪ Project Schedule* -- This would be done at the level of major milestones/project events (i.e., workplan development, major deliverables, reassessment points, system development life cycle phases, etc.)
  - ▪ Project Management Tools - could include such items as software, status reports, status meetings

 Special Note: For displaying dates associated with the project schedule, the following guidelines should be observed:

- Dates shown should be documented with assumptions
- Only provide dates for milestones or project events through the next phase.

Table of Contents

SECTION 2
PROJECT INITIATING AND DEFINITION